



राजपत्र, हिमाचल प्रदेश

(असाधारण)

हिमाचल प्रदेश राज्यशासन द्वारा प्रकाशित

शिमला, शनिवार, 27 मार्च, 1982/6 चैत्र, 1904

हिमाचल प्रदेश सरकार

HIMACHAL PRADESH EX-SERVICEMEN CORPORATION

Dated, the 25th March, 1982

No. HPESCO./SML/82.—In exercise of powers conferred by section 32 of the H. P. Ex-Servicemen Corporation Act, 1979 (Act No. 8 of 1980) and with the previous sanction of the Government, the Himachal Pradesh Ex-Servicemen Corporation hereby makes the following regulations, namely:—

THE HIMACHAL PRADESH EX-SERVICEMEN CORPORATION (FINANCIAL ASSISTANCE) REGULATIONS, 1982

1. Short title and commencement.—(1) These regulations may be called the Himachal Pradesh Ex-Servicemen Corporation (Financial Assistance) Regulations, 1982.

(2) These regulations shall come into force from the date of their publication in the official gazette.

2. Definitions.—In these regulations unless there is any thing repugnant in the subject or context:—

- (a) "The Act" means the Himachal Pradesh Ex-Servicemen Corporation Act, 1979 (Act No 8 of 1980).
- (b) "Loans Committee" means the Committee, if any, constituted by the Board under section 11 of the Act for sanctioning loans under the Act.
- (c) All other words and expressions used in these Regulations but not defined here shall have the meanings assigned to them in the Act.

3. Persons entitled to Financial Assistance.—(a) An Ex-Servicemen or his dependent may apply to the Corporation for grant of Financial Assistance, if he is not less than 18 years of age on the date of submitting the application and if he satisfies other conditions, if any, for entitlement of Financial Assistance as laid down by the Corporation.

(b) An Ex-Servicemen's Organisation may apply for grant of Financial Assistance to the Corporation if it satisfies the conditions for entitlement of financial assistance as laid down by the Corporation.

(c) The amount of subsidy/grant will be given according to the schemes framed by the Board of Directors and approved by the Government. Loans/Subsidies/Grants given to dependents of deceased or incapacitated Ex-Servicemen as defined in section 2(f) of the Act, shall be given only to one such dependent and to no more.

4. Scope of Advance of Financial Assistance.—(a) The Corporation will provide financial assistance to ex-servicemen or their organisations by advancing to them in cash or in kind, loans including loans under hire-purchase system for any of the purposes specified below, either directly or through a reputed bank or such other agency, organisation or institution as may be approved by the Board:

- (i) Agricultural Development;
- (ii) Marketing;
- (iii) Processing;
- (iv) Supply and Storage of various Commodities;
- (v) Small Scale Industry;
- (vi) Building construction;
- (vii) Transport;
- (viii) Such other business or trade activities as may be approved in this behalf by the Board from time to time.

Explanation.—Agricultural development will include:—

- (i) Construction and repair of ordinary wells and Tube-wells;
- (ii) Installation of pumps and other water appliances;
- (iii) Construction of bunds and levelling of land;
- (iv) Fencing against wild animals;
- (v) Raising of orchards;
- (vi) Reclamation of Banjar and Kallar lands;
- (vii) Purchase or repair of tractors its allied implements and other agricultural implements needed by the farmers for agricultural and purposes sub-servient thereto;

- (viii) Construction of farm buildings/houses such as godown, cattle sheds;
- (ix) Purchase/redemption of agricultural land; and
- (x) Such other works as the Board may determine to be in the nature of agricultural development.

(b) Financial assistance for purchase of land for cultivation will be provided subject to the following conditions:—

- (i) The land to be purchased is situated in the State of H.P. and maximum limit of loans will be Rs. 50,000/-.
- (ii) The land to be purchased plus the land already held by the applicant and his family does not exceed the permissible area under section 4 of the H. P. Ceiling on Land Holdings Act, 1972 (Act No. 19 of 1973). The words 'Family' and 'Land' will have the same meanings as defined in the H. P. Ceiling on Land Holdings Act, 1972.
- (iii) The loanee will cultivate the land himself and will not give the same on 'Botai' to anyone till he has repaid the full amount of loan along with interest. An undertaking to this effect shall have to be furnished by the loanee before availing of the loan;
- (iv) The land to be purchased should be under the possession of the loanee or its vendor. There should be no tenancy dispute and the land to be purchased with the amount of financial assistance from the Corporation should not be surplus with the vendor whose undertaking in the affidavit form to the effect that he shall transfer the possession of the land to the loanee immediately should be appended with the loan application. The land should be free from all encumbrances at the time of its mortgaging with the Corporation. Two years average price preceding the date of sale along with the market value of the land shall be furnished by the applicant to show the proximity between the amount of loan applied for and the agreement arrived at between the vendor and the loanee regarding the sale of land. These facts will be verified by an official of the Corporation or an official authorised by it;

(c) Redemption of Mortgage on Agricultural land.—Financial assistance for this purpose will be sanctioned subject to the condition that only such lands are redeemed which are situated in the State of Himachal Pradesh and after redemption, the holding of the loanee and his family does not exceed the permissible area under Section 4 of the H. P. Ceiling on Land Holdings Act, 1972. The words 'family' and 'Land' will be as defined in the H. P. Ceiling on Land Holdings Act, 1972.

5. Authority competent to sanction Financial Assistance.—(a) The following will be authorities competent to sanction loans:—

- | | |
|--|---------------------------------|
| (i) Loans upto Rs. 50,000/- in each case.. | Chairman-cum-Managing Director. |
| (ii) Loans exceeding Rs. 50,000/- and up-to Rs. 99,000/- in each case .. | Loans Committee. |
| (iii) Loans exceeding Rs. 99,000/- .. | Board. |

Note.—1. The amount of loan shall not exceed in any case, the ceiling laid down in the various schemes approved by the Board for providing financial assistance to the ex servicemen, in consultation with Government.

- 2. Loans/Subsidies/Grants given to dependents of deceased or incapacitated ex-service-men as defined in section 2(f) of the Act, shall be given to only one such dependent.

3. Subsidy on interest charged on loan obtained from the banks for schemes and rates approved by the Corporation may be given. The subsidy will be paid to the financial institution directly by the Corporation.

6. **Allocation of Funds.**—Funds shall be allocated in the budget of the Corporation every year by the Board for advancement of loans, grants and subsidies keeping in view the number of *ex-servicemen* in various districts and their activities provided that not less than 50 per cent of the funds shall be reserved for advancement to the loanees availing of loans upto Rs. 15,000/-. In case surplus money is available in last quarter of the financial year, in either of the two categories mentioned above, it may be diverted to the other head to the tune of 25 per cent with prior approval of the Chairman-cum-Managing Director. Any left over thereafter will be carried forward to the next financial year.

7. **Method of applying for Financial Assistance.**—The persons or organisation desirous of obtaining a loan from the Corporation shall apply in the form appended as Annexure-I to the Regulations. Those desirous of getting subsidy on rate of interest shall apply in form approved by the Chairman-cum-Managing Director.

8. **Security for the Loans**—(a) **Loans upto Rs. 5000.**—For obtaining loan upto Rs. 5000 the loanee will be required to hypothecate the assets created out of the loan money and also execute an agreement for the repayment of the loan money alongwith the interest.

(b) **Loan more than Rs. 5000 and upto Rs. 10,000.**—The loanee will be required to hypothecate the assets created and also give one personal surety of another person apart from his own agreement. In case the loanee offers his own landed property the personal surety of another person can be dispensed with.

(c) **Loans above Rs. 10,000.**—The loanee shall be required to hypothecate the assets created and mortgage his immovable property free from all encumbrances with the Corporation valuing at least 25% more than the loan money. In case he does not have any immovable property he may get the immovable property of his surety mortgaged for the purpose.

(Agreement form and surety bond will be as prescribed by the Corporation from time to time).

9. **Property to be Mortgaged with the Corporation as Security.**—The property to be mortgaged by the loanee as a security for the loans should be situated in the State of H. P. and it should be in the ownership of the loanee or his surety as the case may be and free from all encumbrances.

10. **Valuation of Property.**—The valuation of the property in the rural area will be done by a Revenue Officer of the area concerned and in urban area by the Secretary of the Urban Local Body.

11. **Maximum limit of Loan and Mode of Repayment.**—The period for repayment, commencement for repayment and maximum limit of the financial assistance or advancement of loans to the loanee shall be in accordance with the scheme project as may be approved by the Board of Directors.

12. **Admissibility of Financial Assistance for more than One Activity.**—Financial assistance for only one activity shall be provided in accordance with the scheme project approved by the board. Board may however sanction financial assistance to an *ex-servicemen* even for two activities but in no case, for more than two activities.

13. Rate of Interest.—The rate of interest per annum on the loan advanced by the Corporation shall as under:—

(a) Loans upto Rs. 3,000	..	2%
(b) Rs. 3001 to 10,000	..	4½%
(c) Rs. 10,001 to 15,000	..	6%
(d) Rs. 15,001 to 30,000	..	7½%
(e) Above Rs. 30,000	..	10%

Provided that the interest at the rate of 2% will be applicable for loanees whose annual income is upto Rs. 3600, interest at the rate of 4.5% will be applicable to loanees whose annual income is upto Rs. 5600 and interest at the rate of 6% will be applicable to loanees whose annual income is upto Rs. 7600. Interest at the rate of 7.5% and 10 per cent will be applicable in other cases:

Provided that the rate of interest chargeable shall not exceed the rate of interest chargeable on the loans advanced under the H. P. State Aid to Industries Act, 1968 (Act No. 2 of 1971). If this rate is lower than the rates mentioned above, the interest at the discretion of the Government on lower rate will be charged from prospective effect. The interest may be varied on the recommendations of the Board of Directors.

14. Procedure for Disbursement of loan.—(a) The loan may be given in lumpsum or in instalments. Normally loans will be given in instalments except when the loan sanctioning authorities consider that it will be in the interest of the Corporation to grant it in lumpsum or its proper utilisation will be better ensured by granting it in lumpsum. The Chairman-cum-Managing Director will have the discretion to determine the number of instalments if not already specified depending upon the circumstances of each case. When the loan is being released in instalments, a utilisation report based on enquiry as per proforma in Annexure-II will be obtained from an official of the Corporation or any other authority specified by the Chairman-cum-Managing Director. If it is found that the loan has not been utilised in accordance with the terms of loan or it has been misutilised, the Chairman-cum-Managing Director will have the power of stopping payment of further instalments of the loan.

(b) **Loan Payment Form.**—Loan payment form appended as Annexure-III to these Regulations shall be filled in and the order of appropriate authority obtained thereon before release of the payment.

(c) **Payment of cheque.**—(i) Payment will invariably be made by Payee Cheques.

(ii) Where the payment of loan is to be made in kind or to the supplier/dealer with whom the loanee has bargain for the purchase of machinery or for other materials and whose bill has been produced by the loanee, the payment will be made by Accounts Payee Cheque only in favour of the firm from whom the purchase of machinery or other material etc. has been made. The bill(s) of the firm will be in the name of the loanee as purchaser. The Corporation's name shall appear on the bills as financier.

(iii) After issue of the cheque to the supplier, the procurement of machinery or other material etc. will be at the risk and responsibility of loanee himself.

(d) **Acknowledgement of Payment.**—The acknowledgement of loan will also be obtained in the loan payment form as mentioned in sub-clause (b) above. This acknowledgement shall

be duly stamped and include the number and date of the cheque drawn in favour of the loanee and also the cheque number, date, amount and the name of the dealer/supplier in whose favour the cheque has been issued for the purchase of machinery, materials, etc. etc. which are to be sold to the loanee.

The loanee will also mention the interest of the Corporation in the registration documents and insurance policy, in case of purchase of plant and machinery, vehicles etc. which are required to be insured.

(e) **Identification of Loanee.**—At the time of payment of the loan, the loanee will be identified by the official authorised by the Board if he is present or by some other person known to the Officers of the Corporation or in any other manner to the satisfaction of the disbursing officer. The Signatures of the witnesses in whose presence the loanee has signed the acknowledgement of having received the payment of loan will also be obtained on the loan payment form.

15. Procedure for Recovery of Loan.— (a) periodicity and number of instalments:—

- (i) The loan shall be repaid by the loanee on the terms agreed as stipulated in the agreement.
- (ii) The instalments of the Principal amount of the loan are to be paid on or before the due date together with the interest due till the date of payment.
- (iii) The loanee has the option to repay the loan at any time before the repayment falls due, or in fewer number of instalments then agreed upon. The interest in such cases will be computed accordingly.

(b) **Demand Notice.**—The terms and conditions of loan including periodicity and number of instalments having already been agreed to by the loanee in the agreement, surety bond or other undertaking, the loanee has to make payment in time without waiting any demand notice. However, the Corporation may as a matter of courtesy remind the loanee a few days before the due date of payment by issuing a simple Demand Notice.

(c) **Non-Payment of Loan Instalment on Due Date.**—In case where the payment of loan instalment together with interest due is not received by the stipulated date, a registered notice shall be served on the loanee to expedite the payment together with penal interest within the period specified in such notice.

(d) **Recovery Proceeding for Payment.**—In case the loanee fails to repay the loan instalments of principal and interest including penal interest even after issue of such registered notice at the address mentioned in the loan documents by the dates specified in such notice, the recovery proceedings for realising the entire amount of loan as arrears of land revenue through the Collector of the District concerned will be initiated by the Corporation in accordance with the provisions of sections 20 and 21 of the Act. The amount of principal, interest due, penal interest and the cost of recovery will be realised as arrears of land revenue by the Collector of the District concerned and remitted to the Corporation.

16. Mode of the Repayment.—The amounts in repayment of loan may be remitted by the loanee through Money Order or Bank Draft. Such amounts shall also be accepted by the Corporation at the Counter in the Head Office of the Corporation or such other places as the Chairman-cum-Managing Director may decide. The money order shall be addressed to and the Bank Draft drawn in favour of the Corporation payable at any Scheduled Bank located in Himachal Pradesh. A printed receipt will be issued by the Corporation.

17. Penal Rate of Interest.—The penal rate of interest will be 10 per cent per annum in addition to the normal rate of interest prescribed for the loan and shall be chargeable for the over-due amounts of the loan as under:—

- (i) For late payment of instalments of principal amount of the loan and interest, the penal interest will be charged on the amount of the principal and interest of the instalments in default for the period from the due date of payment of the instalments to the date of payment of the same.
- (ii) In cases of misutilisation of loan and in cases where loan was obtained by furnishing false and misleading particulars and in cases where loans are recovered to safeguard the interest of the Corporation, the entire loan amount shall be recovered in lump-sum and the penal interest will be chargeable on the entire loan amount for the period from the date of disbursement till the entire amount of loan with interest is paid irrespective of the date of detection of misutilisation etc.
- (iii) For non-compliance with or default in fulfilment of terms and conditions of loan (such as hypothecation of plants/machinery purchased with the loan) disclosing Corporation's interest to the Insurance Company etc., the penal interest may be charged on the entire amount of the loan till the default is removed.

18. Postponement of repayment.—If more than one instalment becomes overdue the Chairman-cum-Managing Director may order the recovery of whole amount of the loan in lump-sum including principal, interest and penal interest. In cases of genuine difficulty, he may order the postponement of instalments up to the period of repayment of two instalments and the Board may postpone recovery for such period as it deems proper.

19. Subsidy on the rate of interest.—The Corporation may subsidize the rate of interest to bring it at par with the rates mentioned in Regulation 13 in cases where the loans have been obtained by the eligible persons from commercial banks or any other institution other than the Corporation.

20. Power of Inspection.—(i) Chairman-cum-Managing Director or nominee of the Corporation shall have the power to supervise/inspect the premises of the projects/undertakings, for which the loans are taken by the loanees from Corporation with a view to protect the interest of the Corporation, particularly to ensure continued fair margin of return in such projects/undertakings and to ensure timely repayment of loans and interest thereon by the loanees. The loanees shall afford all facilities to the Chairman-cum-Managing Director or his nominee for such inspection.

(ii) The loan amount or instalments thereof must be utilised within six months from the date of disbursement of the loan. Any nominee of the Corporation so assigned may visit and conduct the verification of utilisation of loans:

Provided that the Chairman-cum-Managing Director shall have the authority to extend such period in cases of hardship to enable the loanee to make best use of the loan assistance given to him subject to an extension of a maximum of six months period. The loanee shall furnish the proof in respect of the utilisation of the loan and shall afford all facilities for inspection by the official of the Corporation in cases where it is deemed necessary. The Chairman-cum-Managing Director shall have the discretion to get the utilisation of the loan advanced verified through officials of the Corporation or of the Government as he may deem fit even after such proof is furnished to the Corporation.

21. Power to amend/interpret regulations.—The Board shall have the power to amend these Regulations with the prior approval of the Government.

BRIG. D. S. KATOCH,
AVSM (Retd.),

Chairman-cum-Managing Director,
H.P. Ex-Services Men Corporation, Simla-1.

ANNEXURE I

(Refers to clause 7)

HIMACHAL PRADESH EX-SERVICEMEN CORPORATION, SIMLA

To

The Chairman-cum-Managing Director,
Himachal Pradesh Ex-Servicemen Corporation, Simla-1.

Sir,

I hereby apply for a loan of Rs. (Rupees)
(in figures) (in words)

under the Himachal Pradesh Ex-Servicemen Corporation Act, 1979.

My particulars are as under:—

1. (a) Permanent address: Name
(in Block Letters)

Father's Name

Village Post Office

Tehsil District

(b) Present address
.....

2. Date of enrolment in the Army

3. Date of discharge from the Army

4. Discharge certificate number and the name of the issuing authority

.....

5. Age

6. Applicant's present occupation

7. Purpose of the loan

.....

8. Total annual income of the applicant from all sources

(Certificate from concerned Revenue Officer of any class or certificate issued by the
halqua patwari duly countersigned by the Revenue Officer should be attached).

9. Financial assistance already availed of (if any)—

(a) Source ..

- (b) Amount ..
- (c) Purpose ..
- (d) Date on which obtained ..
- (e) Present outstanding amount ..

Note.—Attach a declaration to this effect.

- 10. (a) Total cost of the Scheme/Project
- (b) Amount to be invested by the applicant from his own sources.....
- (c) Estimated annual income from the Project.....

Note.—Copy of the Scheme/Project to be attached with the application, if applicable.

- 11. Nature and particulars of the surety offered as guarantee for the repayment of the loan with interest:
 - (a) Hypothecation of the asset:
 - (b) Personal bond:
 - (c) Personal surety:
 - (d) Mortgage of applicant's immovable property:
 - (e) Mortgage of surety's immovable property:

DECLARATION

I hereby solemnly affirm and declare that the particulars given above are true and correct in all respects. I further undertake that I shall utilise the entire loan amount for the purpose stated above and for no other purpose.

2. I undertake to repay the loan in accordance with the terms given in the agreement.

3. I shall follow the instructions and abide by all rules and regulations as the Corporation may issue or frame from time to time concerning the above loan.

4. I shall afford opportunity to the officers and employees of the Corporation to inspect the premises and accounts to satisfy themselves about the proper utilisation of the loan.

Signature of the applicant.....

(Name in block letters).....

Place.....

Dated.....

(For use in the office of the Corporation)

- 1. Whether the Scheme/Project is an approved Project of the Corporation ..

2. Amount of loan admissible ..
3. Orders of the competent authority ..
4. Details of payments made by the Corporation
if loan sanctioned ..
5. Details of amount recovered ..

ANNEXURE II

[Ref. clause 15 (a)]

Utilisation of loan checked by Shri.....

Loan Case of Shri.....son of Shri.....

.....File No.....Village/Town

.....Tehsil.....District.....

Total loan sanctioned.....

Instalments of loan disbursed with dates.....

.....

1. Purpose for which loan was applied
for and obtained.

2. Whether the loan was for new trade
or purpose or for an extension of an
old enterprise?

3. What was the net monthly profit?

- (a) Before receipt of loan ..
- (b) After receipt of loan ..

4. How the loan amount was used?

- (a) According to loanee ..
- (b) According to Enquiry Officer ..
- (c) According to any other source;
if any ...

5. Methods employed by E. O. for
concluding para at 4 (b). [Here
state whether the physical check
was made of the articles/
properties purchased by loan
or books of accounts were seen
or information was obtained
from some informer or persons
issuing receipts were contacted
etc. (any one or more of the
methods may be employed].

6. Whether the loanee is well off ..
7. Name of person issuing receipts who were contacted for verification (25% must be contacted).
8. In the case of loans for vehicles or machinery:—
 - (a) Whether the loanee has insured his vehicles or machinery?
 - (b) Whether the registration papers show that the vehicle is hypothecated with Corporation till the repayment of loan?
 - (c) Whether the Corporation's name stands engraved on vehicle/machinery? (yes or no).
 - (d) At the time of enquiry in whose possession and at what place the vehicle/machinery was found.
9. General opinion of Enquiry Officer regarding utilisation of loan ..

ANNEXURE III

[Ref. clause 15 (b)]

LOAN PAYMENT FORM

1. Name and address of loanee.....
 s/o.....r/o village.....
 P. O.....Tehsil.....District.....
2. Purpose of loan.....
3. Reference to sanction order No.....dated.....
4. Amount Rs.....(Rupees.....only).
5. Rate of interest.....per cent per annum.
6. No. and periodicity of instalments in which recoverable.....

7. Amount of each instalment Rs.....(Rupees.....only).

8. Nature of security and ref. to mortgage deed
-
9. Reference to loan already advanced if any.....
10. Remarks.....
-
- Date..... Signature of Loan Asstt./Accountant.....

(For use in Accounts Section)

Passed for Rs.....(Rupees.....
only).

Date..... Signature of Accountant.....

Passed for payment of Rs.....(Rupees
only).

Date.....

*Secretary-cum-Chief Accounts Officer/Chairman-
 cum-Managing Director.*

RECEIPT

Received a sum of Rs.....(Rupees.....
only) by cash/cheque/draft
 vide Cheque No./Draft No.....dated.....
 drawn on the.....Bank, Simla in favour of.....
payment on my behalf as price of.....
from the Chairman-cum-Managing Director, H.P. Ex-Servicemen
 Corporation, Simla-I as loan sanctioned to me by the Corporation in consideration

of my loan application dated....., subject to terms and conditions laid down by the Corporation.

Date.....

Signature of loanee.....

(Village.....P.O.....

Tehsil.....District.....

Paid in cash/by cheque/draft *vide* Cheque No./Draft No.....

dated.....

Witness:

Name.....

s/o.....

Village.....

P.O.....

Tehsil.....

District.....

Signature of

Witness.....

Date.....

*Secretary-cum-Chief Accounts Officer/
Chairman-cum-Managing Director.*

